

## SPECIAL REVENUE FUNDS

### MAJOR FUND CHANGES

- Recreation Activity Fund up \$1.2M
  - Increased demand for classes results in 23% increase in class fees which is used to support expansion of class offerings.
  - Increased demand for facility rental results in over a 50% increase in rental fees.
  - New Program:  
Program Coordinator position (1.0 FTE; \$9,920)

This position will provide important benefits to the Old Redmond Schoolhouse Community Center (ORSCC). In the last 6 years since the Community Center has opened, the demand for programming and rental space has increased approximately 30% each year. Since no permanent program staff has been allocated in that time, the Parks & Recreation department has utilized supplement staff in order to cover key operating hours. While there have been no incidents thus far that has negatively impacted the City, the risks are present. The other recreation centers (Senior Center & Teen Center) have regular staffing for all the hours of operation yet the City's largest and busiest community center currently does not. This position would focus on enhancing the community center as a key gathering place for programs, rentals, and events. There is a need for expanded coverage for programming in the afternoon, evening, and weekend hours, which would provide a much needed link toward achieving our goal of quality service to our community during these operational hours. If this position is not funded, the City will be limiting its ability to meet programming and rental demands as well as not providing the same level of supervision and management coverage as our other facilities. The addition of this position would generate an additional \$120,000 in revenue which would offset most of the cost of this position.
- Arts Activity Fund up \$177,000
  - Budgeted increase in donation revenue to support more capital outlays for art.
  - Continuation of \$1.50 per capita transfer. Total contribution increased by \$8,000 in 2007-2008 due to forecasted population change.
- Parks Maintenance and Operations up \$229,000
  - Implementation of shelter and sports field usage maintenance fees.
  - 1% increase in property taxes.
- Special Events Fund up \$37,000
  - Maintain same amount of General Fund support from previous biennium which is \$215,000.
  - Small increases in grants/donations and fees.

- Cable Access Fund up \$209,000
  - Increase in subscriber contributions of \$75,000.
  - Increase in investment interest of \$66,000.
  - Supplies increased primarily because of carryover dollars from previous years.
  - Machinery and equipment costs down in 2007-08 due to eliminating one-time purchases in 2005-06 to set up the production studio and equip the mobile van.
- Operating Grants Fund down \$396,000
  - Reduction in grant funding for Commute Trip Reduction activities.
  - Decrease in business tax transfer for transportation demand management programs. This budget changes over time based on BTTI recommendations and the City's priorities.
- Human Services Grant Fund down \$153,000 or 6% per year
  - Decrease of \$233,000 in CDBG federal/state grant revenue since these funds are now distributed by King County rather than individual cities.
  - Human Services per capita transfer is \$10.40 in 2007 and \$10.62 in 2008 plus an additional contribution for the domestic violence prevention program of \$74,000.
  - Decrease in expenditures of 12% from the previous biennium in professional services and salaries in order to bring expenses in line with reduced grant money.
- Fire Equipment Replacement Reserve up \$1.3M or 25% per year
  - Fire CIP to contribute additional \$500,000 per biennium to avoid anticipated deficit in 2011.
  - Machinery and equipment to be replaced according to replacement schedule and maintenance policies. Replacements in 2007-08 include an aid car, one rescue vehicle, and one command vehicle.
- Operating Reserves Fund up \$1.5M
  - \$678,000 transfer in from General Fund to maintain operating reserve at 8.5% per City fiscal policy. The reserve will increase from \$4.2 million to \$4.9 million in 2007-08.
  - Building reserves restored to 25% of development review costs due to increased activity (\$696k). Reserve increases from \$400,000 to \$1.1 million in 2007-08.
  - The City has a state mandated obligation to pay medical costs for LEOFF 1 employees until death. The City has 25 retirees and 7 active LEOFF 1 employees. The reserve for this group increased \$90,000 from \$491,000 to \$581,000 in 2007-08. LEOFF 1 reserve is being funded by contributions from the Medical Self-Insurance Fund.
  - Maintain biennial transfer in from Medical Self Insurance fund for LEOFF 1 accruals at the same amount (\$140K, no change to budget).

- Advanced Life Support Fund up \$778,000
  - Assumes King County EMS Levy which expires in 2007, to be reauthorized at current level plus inflation.
  - King County allocation to Redmond Medic 35 is based on 3 full units, operating since June 2005.
  - Overtime expenses significantly reduced as 3 paramedics completed 9-month training in July 2006. This program is now fully staffed.
- Real Estate Excise Tax Fund up \$5.4M
  - Historically, revenue in this fund has been under-budgeted. 2007-2008 reflects a more realistic expectation of results.
  - Increase due to higher real estate values and transaction volume.
- Capital Equipment Replacement Reserve up \$1.2M
  - This fund protects general City assets with a historical value of \$14.1 million (replacement value is higher).
  - Ending fund balance in 2005-06 is only \$784,000 which is inadequate.
  - One-time contribution of \$1.2 million made by the General Fund in addition to the regular biennial transfer of \$2 million for a total of \$3.2 million.
  - Fund balance at the end of 2007-08 will be \$1,848,156.
  - City will need to continue to increase contributions in the future to ensure adequate dollars are available for future asset replacement.
- Business Tax Fund up \$246,000
  - Assumes current tax of \$55 is reinstated permanently. Total business tax in 2007-08 is proposed at \$90; \$35 in the General Fund and \$55 to transportation.
  - Modest growth in the number of taxable employees.
- Hotel/Motel Tax Fund up \$160,000
  - Increase in revenue due to carryover money from 2005-06 biennium and anticipated hotel/motel tax collections for 2007-08.
  - Money is used to promote tourism activities based on recommendations of The Lodging Tax Advisory Committee.
  - Transfers to the Arts Activity Fund and the Special Events Fund are for tourism promotion, especially on weekends.